

Department of Administration
MEMORANDUM

To: Department Directors and Chief Financial Officers

From: Peter S. Corr, Associate Director/Purchasing Agent, Division of Purchases

Date: March 10, 2003

Subject: **FISCAL YEAR TRANSITION TIMETABLES AND DEADLINES**

As in the past, in order for the Division of Purchases to address the large number of transactions which occur at the end of each fiscal year, a schedule has been established as to the lead time necessary to permit transactions to be processed on time. This letter is to advise you of the timetables and deadlines for the current year.

We would remind you that you must consider in your requisition preparation and submittal schedule any appropriate external review and approval necessary (e.g., Chief Information Officer, Building Commissioner). Requisitions submitted to the Division of Purchases without appropriate approvals will not be considered received and will be forwarded to the appropriate approval functionary. In addition, in order to avoid delays, requisitioners should assure that requisition descriptions and documentation are clear and sufficient.

THE DEADLINES TO SUBMIT REQUISITIONS TO PURCHASING FOR THIS YEAR ARE:

Open Markets with Delivery up to June 30, 2003 April 11, 2003

Blankets with Delivery up to June 30, 2003

New Biddable Services/Commodity Blankets	6 - 8 weeks prior to start date
Change orders other than control value/contract period/cancellation	May 2, 2003
Sole/Single Source (Well-Documented)	May 2, 2003
Delegated Blankets	
• Change	May 23, 2003
• New	April 18, 2003

Blankets beginning July 1, 2003

New Commodity/Service Blankets	March 28, 2003
Delegated Blankets	
• New Clone	May 2, 2003
• New	May 2, 2003
• Change	May 23, 2003

The deadlines above are for planning purposes. Due to the large number of transactions at this time, issuance of purchase orders will be dependent upon the date received.

Unless current year requisitions are received by the dates above, there will not be sufficient time to meet the June 30 contract award and delivery schedule. Therefore, **all requisitions for new purchases charged to FY2003 accounts (except bond and federal accounts) received after the target dates will be returned.** Please do not count on using a sole source justification as a means of extending the deadline on what should be a competitive purchase. Evaluating and denying inappropriate requests will only slow processing of legitimate requisitions. If

justifications for exemption from competition are insufficient and there is inadequate information for a competitive process, such requisitions will be returned asking for further information.

Although **late new year blanket requisitions** will not be returned to agencies, they **will be processed on a “first in, first out” basis** – so some may not be processed in time to be effective on July 1, 2003. As you probably know, blanket service contracts are more time-sensitive than blanket supply contracts, which can be managed to avoid lack of supplies during the fiscal year transition. Therefore, you should **prepare and submit your service contract requisitions first**.

PROCEDURE FOR OPEN MARKET REQUISITIONS WHERE DELIVERY IS EXPECTED AFTER JUNE 30. There is no deadline for FY04 open market purchase requisitions. However, requisitioners should be aware that these requests will not be dealt with until all old year open market orders and new year blankets have been addressed. If you have an emergency requirement, please attach a letter of explanation to your requisition. To eliminate FY03 encumbrances on FY04 requisitions, agencies should wait to prepare the requisitions until June when the FY04 accounts will be available. For those already in process with FY03 state dollars, the Division of Purchases staff will correct the fiscal year accounting upon creating the purchase order.

AUTOMOTIVE REQUISITIONS

Due to fiscal problems and a change of administration, the annual Automotive Big Buy was not undertaken during FY 2003. The following procedure will be used for FY 2004.

All requests will be submitted on RISAIL requisitions. Each agency will submit one requisition for all outright purchases and a second requisition for all vehicles financed through COPS. All requisitions for vehicles must be submitted **NO EARLIER THAN OCTOBER 1 AND NO LATER THAN OCTOBER 31** to State Fleet Operations in the Division of Central Services. Specific instructions and samples will be provided at a later date. If your agency has an emergency purchase requirement you should contact Mr. William Ferguson at the Division of Central Services for assistance.

CLOSING FY 03 RELEASES. Agencies will have FY03 accounts active until July 25th to permit closing prior year POs. Further information will be provided in a separate communication.

Agencies are requested to assist the Department of Administration in reducing the annual fiscal year transition crunch by (1) using multi-year contracts as often as possible, (2) avoiding June 30 ending dates and July 1 starting dates for contracts and (3) including the prior year PO number on the requisition. Remember that the ability to copy from prior year documents speeds up the process.

Please share this information as soon as possible with appropriate members of your staff. And remember, as long as you continue to submit most of your requisitions during the end-of-year crunch, your needs will be in competition with the other agencies doing the same.

Thank you for your cooperation.

cc: Rosemary Booth-Gallogly
Helen P. Christy
Lawrence Franklin
William Ferguson

Attachment: Procedures

PROCEDURE FOR CREATING AND SUBMITTING BLANKET REQUISITIONS:

The FY 2004 accounts will not be established until June but, since no encumbrances are created until a release is prepared, we CAN proceed with the creation of new year Master Blanket documents using current year accounts for bidding purposes.

- **Terms.** The first line of the requisition should be a narrative starting with the **blanket period** (e.g., 10/1/03 - 9/30/05) and should include the desired **control value** (estimated amount to be spent over the ENTIRE contract period, not the annual estimated usage). You are encouraged to request multi-year blanket periods when it is believed that the service or supply requirement justifies a long-term commitment. This will reduce future year effort.
- **Price Lines.** Where bids are required, enter estimated (state that quantity is approximate) or specific quantities but no estimated unit prices. Since the quantity times the unit cost of zero will create a line item equal to zero, no funds will be encumbered. Where there is a sole source or delegated authority, enter the unit price and a quantity of zero. Make sure that you enter the correct unit of measure for payment (hour, week, gallon). This is critical for receiving and invoicing.
- **Accounting.** The system requires that an account be assigned to create a bid document. Agencies can use CURRENT year accounts since no encumbrances will be created. Master Blankets can be created without accounting. Once the FY04 Budget accounts are established in June, releases against the Master Blankets can use the appropriate FY 04 accounts.
- **Fiscal Year.** Use the General Tab on the Requisition Screen to enter the fiscal year you want delivery. Requisitions which have a blanket period starting July 1 and after should have FY04 in the fiscal year field. (Note: The system automatically enters the current fiscal year. If the document is either in Initiated or Returned Status you can change the fiscal year if you have made a mistake.) Requisitions submitted to Purchasing with the wrong FY will be put in Returned Status for correction.
- **Prior Year PO Number.** This information assists in speeding up the process of creating bids and awarding purchase orders. Use the Custom Tab on the Requisition Screen to enter the prior year PO number.
- **Delegated Authority.** This information helps us to streamline these transactions. Use the Custom Tab on the Requisition Screen to enter the letter "D" in the Delegated field. When you have done this a "D" will print on the Requisition near the Requisition number. Be sure to attach documentation that your agency has authority for such transactions.
- **Recommended Vendors.** This information helps assure that the vendors you have confidence in or who have provided you with information are informed about the bid. Use the Vendor Tab to select a vendor from the system. When printing the requisition, in the print screen menu click on the field called "referenced bidders" (located just below the "print accounting detail" field) and the list will print.
- **Specifications.** Provide sufficient information to permit vendors to know what you want to buy. Include as much as possible in the requisition but send electronic copies of long text to the appropriate buyer.

EXERCISING BLANKET RENEWAL OPTIONS IN EXISTING PO

1. Changes to Nondelegated Authority Master Blankets. Use the Master Blanket Control Form to provide lists of changes to existing blankets (including control amount or date extensions or cancellations). If there is a long list, attach a copy of the "Expired Blanket" Report available in RISAIL and just cross off the old amount or date and write the new one. An authorized agent should sign the request.
2. Delegated Authority Blankets.
 - Our recommendation is to extend existing blankets if there have been few releases created to date or if there are few line items. Use the Master Blanket Control form.
 - We recommend creating new blankets if you have created more than a few releases or if you have many items. If you want to recreate the same master blanket with the same line items but different control values use the Master Blanket Control form. Identify the current master blanket number and vendor. Write "Clone" in the transaction type field. Enter the Control Value in the "To" amount field and enter the dates on a separate line.
 - Use Requisitions to request new blankets. (Don't forget to include a copy of the delegated authority letter or citation of appropriate section of Purchasing Regulations.)
3. Legislative Grants. Provide a list of existing purchase orders/master blankets and attach a copy of the letter of Legislative Intent. Next to the recipient put the RISAIL vendor number. The Division of Purchases will validate all letters of legislative intent with the Budget Office and will update existing master blankets or create new ones for those exceeding \$2500. If the named grantee is not in the system obtain a W-9 and forward it to the Vendor Information Coordinator.
4. Master Price Agreements. Because of a lot of activity on certain MPAs, the Division of Purchases will be deactivating some existing MPA Blanket Masters and recreating them using the same PO number with a letter at the end (e.g., 68M0022222B).
5. Lease/Purchase of Equipment. Since most leases extend beyond the MPA blanket period, each lease must be established as a separate blanket. Users must create requisitions to establish the master blankets. Submit all lease requisitions, regardless of value, to the Budget Office. Attach all documentation, including any payment schedule or agreements. The Control value should be equal to the balance remaining on the agreement.